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**STEELSOURCE INTERNATIONAL CORPORATION**

November 28, 2001

Ms. Gloria Blue, Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington D.C. 20508

RE: Steel Investigation No. TA-201-73; Exclusion Request

Dear Ms. Blue:

This letter is in support of Voest-Alpine, Linz request to exclude Bonderized from Section 201 Trade sanctions. Steelsource International Corp. is a steel trading company and steel distributor established in 1983 and specializing in carbon steel flatrolled products.

We have purchased Bonderized products by Voest-Alpine since 1992 and sold this product to West Coast customers for the manufacture of rain goods, rain gutters, and related products. The purchased quantities were small about 600MT/annum due to limited availability from the mill and the relatively small market for this product (estimated 5000MT/annum) on the West Coast. Our customers informed us that they preferred the Voest-Alpine Bonderized due to the superior color and surface condition.

The Voest-Alpine material is a smooth dull dark grey color and of uniform consistency while Bonderized produced by competitive mills such as Pinole Point Steel, Richmond, CA (unit of Material Sciences Corp.) have a patchy reddish appearance. In fact, the Pinole Point product is a Bonderized substitute since its surface is produced from a pre-paint treatment. True Bonderized as produced by Voest-Alpine is a zinc phosphate treatment and by nature of the process a dull dark grey color.

Since rain gutters produced from Bonderized are not painted prior to installation on homes and commercial buildings, the bare metal is seen by contractors and consumers. Thus, the more aesthetically appealing product is preferred over the less attractive product. The more attractive true Bonderized product also commands a premium at the mill and in the market. Given this situation, a mill would if possible change the color and surface condition of its Bonderized product in order to obtain a premium price and to satisfy its customers. However, according to our metallurgist, once a mill's production process is established, it cannot change the color of its Bonderized product without major equipment expenditures. In view of the small market for this material such expenditures would not be economically justified. In any case, the only West Coast manufacturer of a Bonderized substitute, Pinole Point Steel, Richmond, CA, is, according to published reports, in financial straits. In this regard, please refer to the attached article from the American Metal Market, dated November 19th, 2001.

Accordingly, we ask that Bonderized be excluded from any safeguard measures imposed by the President.

If you have any questions, please do not hesitate to contact us.

Sincerely,


Elliot F. Mandwelle

President, Steelsource International Corp.

Encl: News Article

NOV 19 2001 10:29AM STEEL SOURCE INTL 310 271 1416

ATTN: Wolfgang

Re: Pinole Pt.

... (percent). The issue is to be discussed at a Usinor board meeting Wednesday—just two days before the deadline for the European Commission to make public whether or not it will allow the merger to proceed.

... were set at 57 percent for percent for Acerinox. Now I get 2 to 3 percent more.

... Arbed with 35 percent, (strain) (13 percent) and

Material Sciences combines segments, plans to trim staff

PITTSBURGH — Material Sciences Corp. has consolidated its three continuing operations, including two metals coatings operations, in a reorganization and cost-reduction program that is expected to save \$4 million and reduce salaried employment by 13 percent.

The Elk Grove, Ill.,-based company will take an after-tax restructuring charge of \$900,000 in the current quarter for severance and other related costs associated with this action.

The new structure brings together MSC Pre-Finish Metals Inc., MSC Laminates & Composites Inc. and MSC Walbridge Coatings Inc., which will operate as Material Sciences Corp.'s Engineered Materials & Solutions Group.

This new operating unit will provide electronic, acoustical/thermal and coated metal materials-based products to a variety of markets.

The unit's president will be Ronald L. Millar, formerly group

vice president and general manager of MSC Laminates & Composites. He will report to Gerald Nadig, chairman, president and chief executive officer of MSC.

"More than a year ago we announced that MSC had redefined its vision and operating model. Our strategic vision is to be a leading provider of materials-based solutions using our skills transfer operating model," Nadig said. "The Engineered Materials & Solutions Group will bring together talented people from all areas of the company. This more efficient structure will help us to more effectively transfer skills, knowledge and technology throughout the organization."

Nadig also said the company is continuing to seek a buyer for its Pinole Point Steel unit in Richmond, Calif., while reducing its operating costs and improving its overall efficiencies. Pinole Point Steel is carried on MSC's balance sheet as a discontinued operation.

Acerinox said output was stable (AMM, Nov. 6).

Acerinox said that higher output and process improvements had reduced costs, but lower prices resulted in a 75-percent slump in operating earnings in the first nine months of the year to 86 million euros (\$76.5 million). Sales slid 4 percent to 1.4 billion euros (\$1.2 million). Taking into account the weak market, the results "can be considered to be very satisfactory," the company said.

A definitive agreement to take control of South African stainless mill Columbus was signed Nov. 12, Acerinox said, and Spanish technicians soon will be based at the mill in Middeburg.

The pact includes a five-year ferrochrome supply deal with Samancor Ltd., the world's largest producer of the alloy. "This agreement will improve Columbus' competitiveness and will allow it to melt liquid ferrochrome produced in the adjacent Samancor plant," Acerinox said.

The latest stainless consolidation would leave Acerinox third—equal with AvestaPolarit—among Europe's stainless mills with about 2.5 million tonnes of melting capacity. Previously, the Spanish were in fourth place following the Outokumpu-Avesta Sheffield and Usinor-Arbed mergers in the past year.

Acerinox is due to acquire 64 percent of Columbus Stainless under the deal announced in July. The company signed the

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Clemens, president.
"We will continue to
transition of the bus

STEEL PRODUCTS

Market base prices, i.e., most Midwest mills, in dollars per hundredweight unless noted otherwise. Fuller tables appear elsewhere in AMM on Fridays.

9AR	
Stainless 303	\$114.50
Stainless 304	\$111.50
Stainless 316	\$139.00
HR carbon (SBC)	
1000 Series	\$17.00
HR carbon (SBC) alloy	
4100 Series	\$23.25
OF carbon, 1018	\$22.70
OF carbon, 12L14	\$30.75
CF, 4140 alloy	\$37.70
Reinforcing	\$15.50
ROD	
(Prices include delivery)	
Low-carbon grade 1006	
Industrial quality	\$18.40
Cold-finishing quality	\$18.00
Cold-working quality	\$23.25
High-carbon grade 1050	
Industrial quality	\$18.50

Cold-finishing quality	\$18.25
Cold-working quality	\$24.00
PLATE	
Cut-to-length	\$13.00
Cold	\$12.00
Strip mill	\$27.00
Alloy	\$33.00
SHEET	
Hot-rolled	\$10.50
Cold-rolled (class 1)	\$14.00
Galvanized (hot dip)	\$14.00
Electro-galvanized	\$23.00
Stainless 304	\$84.00
Stainless 316	\$85.00
STAIN	
Cold-rolled carbon	\$32.00
Hot-rolled alloy	\$18.00
TIN	
(Single-reduced, per base box)	
Mill flat prices, off.)	
Electrolytic 25 lb	\$57.20
NA—Not available	

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600 17th Street N.W.
Washington, D.C. 20508

RE: Steel Investigation No. TA-201-73; Exclusion Request

Dear Ms. Blue:

We have been using Voest-Alpine Linz bonderized material since 1992. We strongly support the mill request to be excluded from section 201 trade sanctions for the following reasons:

- A. V.A. bonderized has superior surface condition.
- B. V.A. bonderized color is not available from any domestic producer.
- C. Domestic attempts have fallen short of our customer demands.
- D. This is a small quantity of material that needs to be available for manufacturing.

Subsequently the only other producer Pinole Point is a unreliable source due to quality and financial problems. This V.A. material does not effect Pinole due to the small quantity customers' want. This bonderized material from Voest Alpine Linz needs to be excluded from 201.

Very truly yours


William Glober
President of M.S.I.